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State Dept. declassification & release instructions on file

GENERAL

1. Evacuation of US nationals from Central China proposed--
 US Ambassador Stuart in Nanking has informed the Department of State that he plans to issue on 5 November a formal evacuation notice urging all US nationals in the Nanking, Shanghai, and Hankow areas to leave while normal transportation facilities are available. Stuart considers that this action has been made advisable by: (a) the increasing possibility of a clash between US and Chinese Communist forces; (b) the crushing elimination of the Nationalist armies in Manchuria; and (c) the strong possibility that Communist forces can either overrun Hsuehchow or bypass it and assault Nanking directly. Stuart reports that the Chief of the Joint US Military Advisory Group (JUSMAG) desires to evacuate all JUSMAG dependents from China. According to the Ambassador, Chiang Kai-shek has given recent assurances that he is not discouraged and will eventually defeat the Communists.

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(CIA Comment: CIA believes that Communist forces are now capable of staging an assault on any Nationalist position in Central or North China. Ambassador Stuart's report that Chiang Kai-shek is determined to continue fighting negates unconfirmed reports of Chiang's serious illness.)

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2. Scandinavian defense agreement thought likely--

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the current Nordic defense discussions will end in an agreement which will not contain Swedish conditions that Norway and Denmark remain neutral. Denmark has no inclination at present to join a North Atlantic defense pact but that a unilateral US guarantee would considerably strengthen a Scandinavian defensive alliance and would be a deterrent to Soviet aggression.

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EUROPE

3. **FRANCE: Coal strike "dwindling"**--US Embassy Paris reports that the strike movement in French coal mines and coal ports is "clearly dwindling" and that the leaders of the General Confederation of Labor (CGT) are losing support among the workers. According to the Embassy, the CGT is receiving sufficient financial aid to pay its agents in the mine districts, but the miners themselves are reaching the end of their resources. The Embassy observes that the longshoremen's resistance to the CGT strike order stems largely from "skillful organizing work by non-Communist unionists. The Embassy adds that for the first time since 1944 the shipping companies and port authorities are displaying courage in opposing Communist labor leaders.

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(CIA Comment: CIA continues to believe that the increasing aggressiveness against CGT tactics on the part of both the Government and non-Communist labor will soon force the CGT to abandon its major strike effort. Localized strikes will probably continue.)

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